

## STATE OF TEXAS

### COUNTIES OF POTTER AND RANDALL

### CITY OF AMARILLO

On the 13<sup>th</sup> day of February, 2014, The Colonies Public Improvement District (PID) Advisory Board met at 4:00 PM in Room 306, on the Third Floor of City Hall, 509 East 7<sup>th</sup> Avenue, Amarillo, Texas, with the following people present:

VOTING MEMBERS	MEMBERS PRESENT	TOTAL NO. MEETINGS HELD SINCE APPOINTMENT	TOTAL NO. MEETINGS ATTENDED SINCE APPOINTMENT
Joe Norman, Chair	Yes	29	27
Tracy Byars	Yes	17	17
Eric White	No	17	13
Craig Bryan	Yes	16	13
Lew Bradshaw	Yes	15	11

#### CITY OF AMARILLO STAFF:

Kathleen Collins, Comprehensive Planner  
Laura Hastings, City Auditor  
Stephanie Coggins, Accounting Department  
Michelle Bonner, Assistant City Manager

#### OTHERS IN ATTENDANCE:

Matt Griffith, Developer  
Cleve Turner, TurnerLand Architecture

## MEETING MINUTES

for

February 13, 2014

#### ITEM 1: Approval of Minutes from the June 25, 2013 meeting

Ms. Collins opened the meeting and requested approval of the June 25, 2013 meeting minutes. Mr. Bradshaw moved to approve the minutes as presented with Mr. Byars seconding the motion, and minutes were approved.

#### ITEM 2: Review 5-year Service Plan

Ms. Collins invited Ms. Bonner to speak on this item. Ms. Bonner noted that numbers in the 2012/13 column were reviewed in June 2013 as budgeted numbers. Since the fiscal year (FY) ended on September 30, 2013, these numbers have been updated and now include actual expenditures and revenue. With that, Ms. Bonner provided a detailed explanation of each line item in the FY 2012/13 and FY 2013/14 columns. She pointed out expenditures for 2012/13 totaled \$422,290 while revenue from assessments totaled \$431,650. The City normally targets a three-month operating reserve for unexpected expenses, which would be approximately \$105,000 for the Colonies PID. Ms. Bonner noted that water rates increased from \$82,013 in FY 2011/12 to \$110,949 in FY 2012/13. This was due to an increase in common area improvements, watering of new sod, and a 2% increase in water rates.

Ms. Bonner then went over proposed numbers for FY 2013/14. Total expenditures are anticipated to be near \$430,000 while revenue from assessments is projected at \$506,708. Water expenses are budgeted at \$94,787. However, this amount needs to be increased due

to previous years' totals. Ms. Bonner also identified a proposed \$1,500,000 bond issue near the middle row of column 2013/14. This is being requested for developer reimbursement. If the PID Advisory Board recommends issuing the bond, debt service payments would begin in FY 2014/15.

Ms. Bonner also noted the Advisory Board recommended approval of a \$0.0175 rate increase for FY 2012/13. She also identified an increase in lots platted.

Bryan requested the total water costs for the three previous years. Ms. Collins stated that water expenses for FY 2010/11 were \$76,492; FY 2011/12 totaled \$82,013; and FY 2012/13 totaled \$110,949. Ms. Bonner noted a 5% rate increase in FY 2010/11, 5% increase in FY 2011/12, and 2% rate increase in FY 2012/13, on top of some really dry years. Mr. Griffith mentioned an increase square footage of common area which also affected these values. Ms. Bonner added that the majority of water costs are associated with the amount of water used and not in water rate increases. She stated that City staff will review the previous five years water rates to better anticipate water rates for FY 2014/15. Ms. Hastings stated that water budgets are created in early spring, before the majority of water costs are used. Historic numbers are reviewed and taken into account, however this past year's water cost surpassed the budgeted amount.

The overall review of the 5-year service plan indicates a possible shortage in budgeted water costs. In order to cover the anticipated increase in water expense, it may be necessary to under spend in another category or adjust assessment rates accordingly. Ms. Bonner again stated that the City's policy is to maintain a three-month operating reserve.

ITEM 3: Consider Bond Issuance and Developer Reimbursement

Ms. Collins asked Ms. Bonner to explain this item. Ms. Bonner stated that Ms. Coggins prepared a spreadsheet including all developer reimbursable expenses which were derived from invoices submitted by the developer. Each Advisory Board member was emailed copies of this spreadsheet prior to the meeting. Ms. Bonner noted unreimbursed principal expenditures total \$2,704,344.24. Interest on capital improvements equals \$309,654.22, for a total of \$3,013,998.46 owed to the developer. She reviewed the spreadsheet and the final amount will be \$1,540,000 in bonds with issuance costs being paid from the proceeds, leaving a deposit of \$1,500,000 to pay for developer reimbursement. Ms. Bonner mentioned this will be a 20 year bond with an estimated 3% interest rate using the City of Amarillo's AAA rating. Mr. Smith asked for the total cost with interest. Ms. Bonner identified the total cost plus interest will be near \$2,087,625.

Ms. Bonner stated that if the Advisory Board makes a recommendation to move forward with the bond process, City Council will consider issuing certificates of obligation. She noted that PID revenue bonds are really hard to sell and in the past, City Council members have been agreeable to use certificates of obligation to reimburse developers. These bonds are payable from PID assessments.

Mr. Bryan moved to recommend City Council issue a bond of \$1,540,000 for developer reimbursement at an amount of \$1,500,000. Mr. Bradshaw seconded the motion and motion carried unanimously.

ITEM 4: Consider for recommendation The Colonies Unit No. 50-A Aberdeen Parkway Linear Park and Hillside screen wall and landscaping improvements

Ms. Collins invited Mr. Turner to discuss the project. Mr. Turner explained that this project includes a 1,600 lineal feet of eight foot tall brick screening wall along Hillside Rd. as well as entrance features at Aberdeen Pkwy., Montserrat Dr. and Barrington Ct. Mr. Turner stated

that they have been working with Xcel Energy since a large portion of the project will be within their easement. Smaller trees will be planted to reduce the need for future pruning.

He also mentioned a major portion of this project consists of cast stone. Mr. Griffith stated that the estimated cost of the project is \$1,500,000. Mr. Turner has included nearly \$500,000 associated with contingencies and general conditions in his \$1,800,000 calculation. Mr. Bryan asked if alleys will be parallel to the fence. Mr. Griffith stated that several homes will have an alley next to the fence while the other lots will have a side yard setback adjacent to the fence. Mr. Bryan commented that the fence should be engineered to uphold a long life because repairing fences becomes expensive. Mr. Turner assured this concern was taken into consideration and designed to be substantial with lower maintenance.

Mr. Bryan moved to recommend the linear park, screening wall, and entry features project bidding process proceed. Mr. Byars seconded the motion and the motion carried unanimously.

ITEM 5: Discuss future agenda items

Mr. Griffith requested adding two items to the next agenda for discussion and consideration. The first being the rate at which commercial property is assessed and the second being the PID maintenance roll shifting from City Parks Department to a private source.

ITEM 6: Adjourn Meeting

Meeting was adjourned at 5:30 PM